

Senate 447
TESTIMONY OF PAUL R. CIANELLI
THE NEW ENGLAND CABLE & TELECOMMUNICATIONS ASSOCIATION
The Energy & Technology Committee
March 20 2012

Senate Bill 447: AN ACT MODERNIZING THE STATE'S TELECOMMUNICATIONS LAWS.

My name Paul R. Cianelli, President and Chief Executive Officer of the New England Cable & Telecommunications Association (NECTA). NECTA represents Connecticut's cable telecommunications companies which compete to provide advanced broadband, voice and video products and services to our state's business and residential consumers. The cable industry respectfully offers this testimony in support of Section 7 of Senate Bill 447.

SB 447 Treats All Competitors Fairly.

When originally proposed last year in Senate Bill 1024, the cable industry and the Public Utility Control Authority (PURA- formerly DPUC) expressed an interest in preserving the regulatory environment that has made Connecticut a national leader in broadband deployment and has created a highly competitive voice services marketplace. At the direction of this Committee, various stakeholders worked to address these concerns, ensuring that the final bill was drafted to preserve the existing wholesale regulatory rights that are essential to the very existence of competition. Senate 1024 was unanimously approved by the Senate but was not considered in the House in the final days of regular session. While this proposed bill injects some new issues, it preserves all of the progress that was made last session. NECTA strongly supports the message that codification of the state's existing Voice over Internet Protocol (VoIP) regulatory structure would send to the business community— Connecticut is a state ready to encourage investment and innovation.

SB 447 Codifies Connecticut's Existing VoIP Policy.

The development and deployment of VoIP services is one of the great success stories of the voice services marketplace. This technology permitted a number of companies to enter the market to offer facilities-based voice services and, as a result, Connecticut residential and business customers have benefited from significant cost savings. This success is due, in large measure, to the favorable regulatory environment Connecticut regulators have provided to VoIP service providers, and to its credit, PURA has never attempted to assert jurisdiction over VoIP. However, without a clear legislative declaration, companies cannot be sure that regulators will not reverse course and decide to assert jurisdiction over VoIP in the future.

SB 447 Encourages Economic Growth & Investment.

Attached is the Executive Summary, from a recent study, conducted by the Donahue Institute of the University of Massachusetts discussing the economic impact of the cable telecommunications industry's investment in our state which includes cable company investment of \$928 million on capital improvements from 2006 to 2010. The report demonstrates the success of the existing regulatory structure in encouraging investment and creation of jobs here in Connecticut. Through its actions, PURA has sent many positive messages to the business community by not embracing various requests that they assert jurisdiction over VoIP. As a result, Connecticut has enjoyed unprecedented success in landline telecommunications competition and deployment of high-speed broadband. While this is commendable and indicative of a progressive regulatory climate—regulatory forbearance alone lacks the clarity and certainty of legislative action.

SB 447 Preserves Consumer Protections.

SB 447 expressly maintains important consumer protections. The legislation does not affect Federal Communication Commission's regulatory authority over VoIP services. At the state level, it specifies that E-911, federal universal service support mechanisms, telecommunications relay services (TRS) for the hearing impaired, rules related to privacy of certain customer information (CPNI) and various other consumer protections for VoIP customers be retained. Under the state's existing regulatory structure, VoIP providers respond to customer complaints generated through PURA and the Connecticut Attorney General's office. Nothing in this legislation prevents this from continuing.

Twenty One States Have Already Adopted This Forward Looking Legislation.

In passing SB 447, Connecticut will join a growing list of states which have already enacted legislation to provide the regulatory certainty VoIP providers are looking for here in Connecticut. Most notably, this type of legislation has been adopted by neighboring states—Maine, Rhode Island, Massachusetts, New Jersey,

Conclusion.

For the reasons stated above, NECTA strongly supports passage of SB 447 and looks forward to working with the Committee and other stakeholders to secure its adoption.